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Instructions For Reporting State-Assessed Property

*Telephone Companies—Radio
Common Carriers*

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Foreword

The State Board of Equalization is required, under the provisions of section 19 of Article XIII of the Constitution, to assess annually all property, other than franchises, owned or used by railroad companies, railroad car companies, telephone companies, telegraph companies, gas companies, and electric companies. It is also required to assess all intercounty pipelines, flumes, ditches, aqueducts and canals. These instructions are for the direction of those persons responsible for reporting such property. If you have any questions regarding the property statement forms or reporting instructions, contact the Valuation Division, telecommunication section at 916-322-2323.

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I. Property Statement

A. General

A sworn property statement shall be filed annually with the State Board of Equalization by each person, corporation, or other entity owning, claiming, possessing, using, controlling, or managing any state-assessed property.

This statement shall consist of:

1. Declaration of Costs and Other Related Property Information
2. Such other information as is hereinafter directed or as may be from time to time requested by the Board.

Except as noted below, all parts of the property statement shall be filed not later than *March 1st* of each year. When there is nothing to report on a portion of the property statement, the state assessee must submit the appropriate form marked "NONE." Failure to respond to all parts of the property statement may subject the assessee to the penalties of section 830 of the Revenue and Taxation Code.

To meet unusual situations, exceptions to the requirements of these instructions may be granted in writing by the Chief of the Valuation Division.

The Board, for good cause, may grant extensions as follows:

1. Up to 45 days for parts of the property statement relating to development of unitary value indicators. This includes all financial schedules, the summary control, and any supplemental data requested by the Board. It also includes studies and other voluntary information that the assessee believes affects the value of their property.
2. Up to 30 days for parts of the property statement describing specific operating or nonunitary property. This includes Tangible Property Lists, Statements of Land Changes and Land Identification Maps, and Schedules of Leased Equipment.
3. An additional 15-day extension may be granted for either category above upon the showing of extraordinary circumstances which prevent filing the statement within the first extension.

Supplemental reporting instructions may be issued to individual companies when additional data is needed or to clarify these instructions concerning specific issues. These supplemental instructions will be mailed at least 20 days prior to the extended reporting deadline.

Portions of the State Constitution, Revenue and Taxation Code, and other codes have pertinent information relating to the instructions contained in this publication. All of the codes and portions of the State Constitution pertaining to property tax laws are contained in a publication of the State Board of Equalization titled "Property Taxes Law Guide." This publication may be purchased from the State Board of Equalization, Publications Order Desk, 3920 West Capitol Avenue, West Sacramento, CA 95691. This publication and all other property statement forms and publications may be obtained from the Internet site of the Board of Equalization at **www.boe.ca.gov**.

All information provided in the Property Statement declaration is subject to audit.

B. Declaration of Costs and Other Related Property Information (form BOE-517)

This property statement must be signed by the owner or partner of the business, a duly appointed fiduciary, or an agent. When signed by an agent or employee other than a member of the bar, a certified public accountant, a public accountant, or a duly appointed fiduciary, the assessee's written authorization of the agent or employee to sign the statement on behalf of the assessee should be on file with the Valuation Division. The entry on the line "title" should clearly indicate whether or not written authorization is required to be filed with the Board.

In the case of a corporation the property statement must be signed by an employee or agent whom the board of directors has designated in writing (other than those excepted above), by name or by title, to sign such statements on behalf of the corporation, or by an officer of the corporation. The board of directors may appoint a person or persons to designate such employee or agent. The name of the corporation should be entered on the line provided.

Sign the property statement in accordance with the requirements listed above. Title 18, section 172 of the California Code of Regulations provides that statements not properly signed have not been properly submitted.

1. Statement of Authorization.

In the cases where a company is assigning an agent or authorized representative other than the owner or a corporate officer to act as agent for Property Tax matters with the Board of Equalization, a Statement of Authorization (form BOE-892) must be filed with the Valuation Division. The filing must be submitted annually in order for the agent or representative's status to remain current.

2. Financial Schedules A to C.

These schedules shall be used to show the taxpayer's balance sheet, income and expense statement, and such other information as is required on forms (form BOE-517 and applicable inserts) supplied by the Valuation Division. All cost amounts should be reported at original cost before depreciation.

a. Schedule A — Comparative Balance Sheet

Complete all California and System information as requested. For System companies, enter California balances in all boxes footnoted with an "a."

b. Schedule B — Plant and Equipment in California

All assets owned or leased shall be reported on Schedule B at original or book cost. Original or book cost should include all capitalized costs incurred to place an asset in service. Private right of way costs should also be reported on Schedule B with the appropriate account number. If Additions and/or Retirements are reported for Land or Rights of Way, Easements, etc., a Statement of Land Changes (form BOE-551) must be filed with the Valuation Division.

c. Schedule B-0 — Distribution of Cost

Use Schedule B-0 to report plant and equipment cost by account, by county. Plant and equipment cost reported on Schedule B shall be the basis for completing Schedule B-0. If all plant and equipment reported on Schedule B is located in **only one** (1) California county, indicate the county in Section A and skip Section B. See Section III of this publication for a listing of California counties.

C. Tangible Property List (TPL)

1. Unitary Property.

A Tangible Property List is not required for reporting unitary property for Radio Common Carrier companies. In lieu of a TPL, Radio Common Carrier companies will submit a Schedule B-0 that is part of the BOE-517-RC – Property Statement. The Schedule B-0 is described in section B above. See Appendix C for sample data.

2. Nonunitary Property.

All property carried on the books of the assessee in nonoperating accounts or classified by the Valuation Division as nonoperating or nonunitary property the prior year, should be reported on the Tangible Property List (TPL), form BOE-533. The TPL form will not be included in your Property Statement packet, however a copy of the TPL form may be obtained from the Valuation Division by telephoning us at 916-322-2323 or from the Board of Equalization's Internet site www.boe.ca.gov. Contact the Valuation Division by phone to receive step by step instructions for reporting nonoperating property on the TPL. Nonoperating property must also be reported in the specific Tax Rate Area where such nonoperating property is located. See Appendix A for an explanation of Tax Rate Areas.

D. Statement of Land Changes

All land owned or used by state-assesseees (including gas transmission companies) other than land associated with intercounty pipelines must be reported to the Board. The term "used by" includes properties leased by the state-assessee from private parties (Leased) or government agencies (Possessory Interests). The Board may delegate assessment responsibility to local assessors when state-assesseees use only a small part of a leased property and the taxes are to be paid by a local assessee.

Assesseees that own, lease, or use a fiber optic cable or gas transmission pipeline right of way must report the number of miles of right of way on the Schedule of Fiber Optic Right of Way Miles, form BOE-534-FO or the Schedule of Gas Transmission Pipeline Right of Way Miles, form BOE-534-PL.

1. General.

The Statement of Land Changes (SLC), form BOE-551, shall list all lands which have been acquired or disposed of (including partial sales or leases) since the date of the previous property statement. The SLC must be filed with the property statement, or within 60 days of acquisition or disposal, whichever is earlier. State assesseees filing a property statement for the first time must file an SLC for each land parcel in which they have an interest. The SLC must be completed in its entirety. If a section of the SLC does not apply to the parcel being reported, it should be marked "Not Applicable" or "N/A." If no transactions involving land have occurred since the last property statement, an SLC should be filed marked "None" or "No Changes."

The SLC requests the following information:

- a. Tax Rate Area.
- b. Map and parcel numbers (see Land Identification Maps).
- c. Area (acres or square feet) of parcel, or mileage if a right of way parcel.
- d. Both old and new parcel numbers in the case of reparceling.
- e. Name and address of grantor or grantee (lessor or lessee if leased land).
- f. Type of instrument and date of agreement.
- g. Recording reference and date.
- h. Description of improvements included.
- i. The consideration (if any).
 1. Purchase price
 2. Sale price
 3. Monthly/Annual Rental at start of lease
 4. Current rental
- j. County assessor's parcel number.
- k. Lease information.

2. Leased Properties.

In the case of a new lease, a description of the terms of the lease shall be given, including the amount of the current rental, the term of lease, and renewal options, if any. If the terms of the lease are complex, or cannot be fully described in the space provided, attach a copy of the lease. In certain circumstances, the assessee may be required to provide a copy of the lease agreement. Leased properties include property leased to or from another person. The improvements being leased shall be itemized. A copy of the building plan should be included for newly leased structures.

Whenever there is a renewal of the lease on real property which is reported to the Board, the SLC shall be filed with the Valuation Division. A brief description of the terms of the renewal shall be given, including the amount of the rental and the new expiration date. The SLC should be clearly marked "Lease Renewal."

Legal parcels which are entirely leased (100%) by a state assessee must be reported to the Board on a Statement of Land Changes (form BOE-551). Three copies of land identification maps must be included.

If one state assessee (lessee) leases property from another state assessee, the lessee shall report the leased property on a SLC. The property will not be assessed to the lessee.

A ground lease for a portion of a legal land parcel (partial lease) for facilities such as cellular telephone sites, microwave sites (passive or active), repeater sites, substations, etc., shall be reported.

A lease of a portion of office or commercial space within an existing building, roof-top space for communications equipment, or vault space within an existing privately owned communications facility (partial leases) should not be reported unless the leased portion is from a tax exempt lessor. State assessee owned or used equipment at these locations is assessable and shall be reported on the TPL.

3. Possessory Interests.

Taxable possessory interest means a possessory interest in nontaxable publicly owned real property, as such property is defined in section 104 of the California Revenue and Taxation Code, and in taxable publicly owned real property subject to the provisions of sections 3(a), (b) and 11, Article XIII of the Constitution. For further definitions of possessory interests see Property Tax Rule 20, Title 18, California Code of Regulations. It should be noted that the partial lease provisions of item 2 above do not apply to possessory interests.

In listing a possessory interest in a parcel owned by a tax-exempt government agency, the name of the agency shall be shown, and the expiration date of the agreement shall be stated. If the possessory interest is derived from a permit or license, the area (or length) and type of use must be stated.

4. Partial Interests.

The following variations are applicable to particular kinds of partial interests in land:

- a. In listing an undivided interest in a parcel, the total area of the parcel shall be shown, together with the nature and extent of the assessee's interest, and the names of the other owners.
- b. In listing a special interest in a parcel, such as oil rights only, or a full interest except for oil rights, the nature and extent of the interest shall be shown.
- c. In listing water rights, descriptions shall include the name of the granting agency, the tax situs, the quantity of water use allowed by the water right, the use to which the water will be put, and any other information deemed necessary. The Land Identification Map and parcel number shall be shown if the situs is at a parcel.
- d. In listing miscellaneous rights in land not covered above, the rights shall be fully described.

5. Nonoperating Land Parcels.

Land parcels that are carried on the books of the assessee in nonoperating accounts, or that were classified by the Valuation Division as wholly or partially nonoperating the prior year must be reported by Tax Rate Area. If the Tax Rate Area code differs from that of prior year, the change must be reported to the Board. If a changed Tax Rate Area boundary splits an existing nonoperating parcel, the parcel must be split accordingly, and a new parcel map filed. The standard SLC shall be used for this type of transaction. If the changed Tax Rate Area boundary encompasses an entire parcel, only the changed Tax Rate Area code number need be reported. A special SLC (form BOE-551-TRA) may be used to report this change, and no new map need be filed.

6. Land Identification Maps.

Each statement of land changes, except those related solely to a rental increase or a rental extension, shall be accompanied by Land Identification Maps (Maps). Land Identification Maps shall be filed in triplicate, with the name of the company and the name of the county on each map. Each Map shall be assigned map and parcel numbers as outlined below. Each Map shall show such information as will clearly describe and locate the property with respect to:

- Officially established lines such as section lines, parcel lines, parcel centerlines and intersection lines.
- Reference points shown on maps of record such as township and range.
- Assessor parcel number as it pertains to the parcel being reported.

This information shall include, if necessary, legal descriptions or references to maps filed with the county recorder under the provisions of Division 3, commencing with section 66499.50 of Title 7 of the Government Code. Maps showing information other than land location matters may be used, but such other information will not be considered a part of the description for purposes of assessment.

The scale of the map and the direction of North shall be shown on all Maps. Previously prepared maps, such as Interstate Commerce Commission valuation maps, will be accepted up to a maximum overall size of 24" x 56". County assessor's parcel maps will be acceptable, provided they meet the previously stated tests for clarity of description, and if they have the parcel being described clearly delineated.

Land Identification Maps shall be assigned a three part number; for example, 872-34-6B or 1284-34-7. In the first example, 872 is the SBE number assigned to the assessee; 34 is the code number of the county, being the county's position in an alphabetical tabulation of counties; 6 means that the Map is number 6 in a series of Maps for that county; 6B indicates that changes occurred as shown on Map 6 after it was originally filed, requiring reparcelling as shown in Map 6A, and further reparcelling as shown on 6B. Parcel numbers shall be assigned consecutively beginning with Parcel 1 for each map. Parcel numbers shall restart with number 1 on each subsequent revision to the base map.

Each new map showing the reparcelling of parcels on a previously filed map shall be given the same number as the original map with the suffix "A" (or "B", "C", etc., when more than one supplementary map is filed). No land which remains correctly described by the original map shall be shown as parcels on the new map with the suffix.

Each nonoperating parcel shall be entirely within one Tax Rate Area, and no parcel shall extend beyond the limits of one map. It is not necessary to show Tax Rate Area numbers on the map. A map may contain more than one parcel in the same county. Maps of nonoperating parcels may contain more than one Tax Rate Area, as long as each parcel is totally included in one Tax Rate Area. Additional parcels cannot be shown using the same map number in a subsequent year; letter suffixes must be added.

Maps shall not be refiled annually. New maps shall be filed only under the following circumstances:

- a. When it is necessary to show new parcels acquired subsequent to the prior year lien date property statement.
- b. When new parcelling of previously reported parcels is necessary; for example, new Tax Rate Area boundary lines splitting a nonoperative parcel, or when a portion of a previously reported parcel is disposed of. In the latter case, only the portion retained is to be shown on the new map.

Changes such as disposal of an entire parcel, changes in the nonfee status that do not affect the boundaries of the parcel, lease renewals, etc., do not require the submission of new maps, and new maps will not be accepted under these circumstances.

Any deviations from the above standards must be approved by the Valuation Division in advance, and in writing.

E. Schedule of Intangible Information

The Schedule of Intangible Information, form BOE-529-I, shall be used to declare intangibles. If intangibles are declared, they should be itemized and include a corresponding value. The basis of each value should also be described on the form.

If no intangibles are declared, check the box titled **No Reportable Intangibles**, or mark the “**N/A**” box on the front of the form BOE-517 indicating nothing to be reported.

F. Schedule of Leased Equipment

Personal property or equipment in the possession of the assessee which is rented or leased is to be reported on forms BOE-600-A or BOE-600-B. All equipment which the state-assessee (lessee) is obligated by the terms of the lease to report for ad valorem tax purposes shall be listed on form BOE-600-A. Equipment for which there is not a written understanding between the state-assessee and the lessor as to which one is to report the property for assessment shall also be included on form BOE-600-A. Property leased from an entity described in Revenue and Taxation Code section 235 (financial corporation) must be reported on **form BOE-600-A** notwithstanding the terms of the lease with respect to payment of the property taxes. *All equipment listed on form BOE-600-A is also to be included on form BOE-517-RC Schedule B-0.*

All equipment which, either by the terms of the lease or by a written understanding between the state-assessee and the lessor except as noted above, that the lessor is to report to the local assessor for assessment to the lessor, shall be reported on form BOE-600-B and shall NOT be included in the Tangible Property List. Forms BOE-600-A and BOE-600-B for reporting leased personal property or equipment may be obtained from the Valuation Division.

Additional instructions are printed on the reverse side of each form.

G. Other Information

Instructions for reporting other information (Items 6a through 6f on Page 1 of form BOE-517-RC) are provided on page (S1B) of that form. If a requested item does not apply, please so state. Submit a copy of “CPUC Annual Report Form L” as requested in Item 6d of the property statement if you are required to file this annual report of radiotelephone utility with the California Public Utilities Commission.

H. Fiber Optic Miles of Right of Way

Form BOE-534-FO, ***Schedule of Fiber Optic Right of Way***, should be used to report annually to the Valuation Division the number of miles of California fiber optic right of way (ROW)/easements. The assessee is not required to report fiber optic ROW on form BOE-551, ***Statement of Land Changes***.

For purposes of this publication, right of way is defined as any land or partial interest in land owned or used for the purpose of laying or placing fiber optic cable in order to transmit voice, data, or video signals. The term "used by" shall include land leased by a state assessee from private parties (leased) or government agencies (possessory interest). A right of way is created when fiber optic cable is installed on a pole, buried in the ground, or laid on the surface of the ground.

If you do not own or use any fiber optic ROW, check the box titled ***No Property Interest***, on form BOE-534-FO.

When completing form BOE-534-FO, the following information should be provided:

- Lien date (year)
- Assessee Name
- SBE Number assigned to your company
- Number of miles, by county, of public ROW located in a public street or highway
- Number of equivalent miles, by county, of private shared ROW
- Number of miles, by county, of private ROW (Not Shared) and any taxable possessory interest (PI) not located in a public street or highway
- Number of miles of local assessed ROW, by county
- Total number of miles, by county
- Grand total of California ROW miles

Provide one copy of a ROW route map or "As Built" drawings from your engineering department in sufficient detail to locate on the ground. This is not a request for assessor parcel maps. All maps should be to scale to allow verification of the miles of ROW.

Classification of Fiber Optic Right of Way

Each mile of ROW shall be classified as public, private shared, private not shared, or locally assessed.

ROW located above, below, or along a public street or highway shall be classified as public. ROW assessed by the county assessor with the larger parcel from which the easement originated shall be classified as locally assessed. Private ROW shall be any remaining miles. Private ROW cost should be reported on Schedule B of the form BOE-517 with the account number used by the company to identify the cost.

Report only permanent ROW. Do not report any temporary parcels used for construction of the fiber optic system.

All miles are route (not fiber) miles and should be the total linear miles in, on, or along the ground. Do not include any miles located in a building.

The following table should be used as a general guideline in classifying ROW. It does not represent a complete list of the numerous and varied land rights and agreements. Please check with your engineering and/or real estate staff for assistance in classifying ROW miles.

Type of Property	Public Street/Hwy	Private Shared	Private Not Shared	Locally Assessed
Fee Simple		YES	YES	
Leased		YES	YES	
ROW and Easement Agreement		YES	YES	
Taxable PI (<i>in public street or hwy</i>)	YES			
Taxable PI (<i>not in public street or hwy</i>)			YES	
ROW/Easement Valued by County Assessor (<i>Value of ROW/easement is included in the value of the larger parcel from which the easement originated</i>)				YES
Indefeasible Right to Use (I.R.U.) Agreement	YES	YES		
Fiber Swaps or Exchange of Capacity Agreement (<i>Report owned ROW only. Do not report used ROW.</i>)		YES	YES	

I. Miscellaneous Items

1. Stockholder's Reports and Reports to Regulatory Agencies.

Copies of reports to stockholders and reports to regulatory agencies shall be submitted to the Valuation Division as set forth in the instructions to state assesseees included with Property Statement form BOE-517.

2. Foreign Improvement Lists.

Each state assessee shall annually file a statement attesting to the separate ownership of improvements located on land owned by the assessee, with the assessor of each county where such property is located, and shall furnish a copy of the statement to the Valuation Division.

3. Construction Work in Progress.

Construction Work in Progress (CWIP) should be reported as follows:

- a. Preliminary engineering costs as part of taxable CWIP—Preliminary engineering costs are those costs incurred prior to the commencement of a construction project such as feasibility studies, architectural drawings, and engineering studies. Preliminary engineering costs may also include architectural and engineering costs incurred during the construction phase of the project, providing they relate to the overall project rather than to the portion of the project currently being constructed. These costs should be metered in as part of taxable CWIP based on the percentage of completion as of January 1. Ideally, this completion percentage should be based on an engineering estimate. However, if an engineering estimate is not obtainable, a completion percentage based on the incurred costs of construction including overhead to January 1, divided by the estimated total costs for the project will be accepted.
- b. Overhead costs as part of taxable CWIP—The reported amount for CWIP should include the proper loading for overhead costs. Overhead costs are indirect labor, injuries and damages, taxes, general and administrative expenses, and overhead loading such as Allowance for Funds Used During Construction (AFUDC). The reported CWIP for California is considered to be properly loaded with its respective amount of taxable overhead costs when:

¹Taxable costs to date, less nontaxable preliminary engineering and less any other nontaxables such as prepayments for out-of-state equipment.

- (1) The taxable Overhead Costs are traceable to the taxable property; or
- (2) The taxable CWIP is loaded with its proportionate share of overhead costs based on the percentage of the job's incurred taxable costs including the metered in preliminary engineering costs to the total expenditures as of the lien date. This percentage is expressed as:

Taxable costs to date before overhead loading ¹

Total costs to date before overhead loading

- c. CWIP should be reported in two categories:

- (1) CWIP representing construction of new facilities
- (2) CWIP representing replacement of existing facilities

If precise dollar amounts for the two categories of CWIP are not available, percentages may be reported with an explanation of how the percentages were derived.

- d. All CWIP must be included on form BOE-517-RC Schedule B-0.

4. Book Cost.

The book cost of an asset should include all the capitalized costs of placing an asset into service. These costs include but are not limited to:

- a. Purchase price.
- b. Sales and use taxes.
- c. Transportation charges.
- d. Installation charges.
- e. Construction period finance charges.
- f. Construction period opportunity costs.
- g. Engineering and design costs.
- h. Site feasibility and acquisition costs.

If the book cost being reported does not include these capitalized costs or other capitalized costs that were incurred in order to place assets into service, report such costs on a separate schedule.

If any of the costs referred to above are being expensed, report such costs on a separate schedule.

Self-constructed equipment and buildings:

The book cost of self-constructed equipment and buildings should include all the costs referred to above. The book cost should be the cost that an unrelated party, bearing the full economic burden, would charge to place an asset into service. If any of these costs were not incurred as a cash expenditure, impute an economic (prevailing rate at the time of construction) dollar amount and report such amounts on a separate schedule.

5. Exempt Software.

Pursuant to Revenue and Taxation Code section 995, storage media for computer programs, such as hard drives, shall be valued for property tax purposes as if there were no computer programs on such media other than basic operational programs. In other words, computer programs other than basic operational programs are not subject to property tax. Revenue and Taxation Code section 995.2 defines the term "basic operational program." All software programs not considered "basic operational programs" may be referred to as "exempt software programs" or "nontaxable programs." It is the assessee's responsibility to identify and remove all exempt software program costs from taxable accounts and report these costs separately to the Board of Equalization on the Schedule B portion of the Property Statement.

All reported costs of exempt software programs are subject to audit. In support of an assessee's claimed software exemption, Property Tax Rule 152 (f) states, "A person claiming that a single-price sale or lease includes charges for nontaxable programs and services should be required to identify the nontaxable property and services and supply sale prices, costs or other information that will enable the assessor to make an informed judgment concerning the proper value to be ascribed to taxable and nontaxable components of the contract." *Other information* can include, but is not limited to, a detailed study from the manufacturer of the equipment. Property Tax Rule 152 (e) also states, in part, "the assessor, lacking evidence to the contrary, may regard the total amount charged as indicative of the value of taxable tangible property."

II. List of Available Publications

67EG Electric Generation Companies
67GE Gas, Electric and Gas Transmission Companies
67LE Telephone Companies—Local Exchange Carriers
67PL Intercounty Pipelines and Watercourses
67RC Telephone Companies—Radio Common Carriers
67RF Railcar Maintenance Facilities
67RR Railroad Companies
67TC Telecommunication Carriers
67TR Telecommunication Resellers
67WT Telephone Companies—Wireless

Copies of the above listed publications may be obtained by writing to:

State Board of Equalization
Valuation Division
PO Box 942879
Sacramento CA 94279-0061

Or by logging on to the Board of Equalization Internet site at **www.boe.ca.gov**.

III. List of California Counties

COUNTY NUMBER	COUNTY NAME	COUNTY NUMBER	COUNTY NAME
1	ALAMEDA	30	ORANGE
2	ALPINE	31	PLACER
3	AMADOR	32	PLUMAS
4	BUTTE	33	RIVERSIDE
5	CALAVERAS	34	SACRAMENTO
6	COLUSA	35	SAN BENITO
7	CONTRA COSTA	36	SAN BERNARDINO
8	DEL NORTE	37	SAN DIEGO
9	EL DORADO	38	SAN FRANCISCO
10	FRESNO	39	SAN JOAQUIN
11	GLENN	40	SAN LUIS OBISPO
12	HUMBOLDT	41	SAN MATEO
13	IMPERIAL	42	SANTA BARBARA
14	INYO	43	SANTA CLARA
15	KERN	44	SANTA CRUZ
16	KINGS	45	SHASTA
17	LAKE	46	SIERRA
18	LASSEN	47	SISKIYOU
19	LOS ANGELES	48	SOLANO
20	MADERA	49	SONOMA
21	MARIN	50	STANISLAUS
22	MARIPOSA	51	SUTTER
23	MENDOCINO	52	TEHAMA
24	MERCED	53	TRINITY
25	MODOC	54	TULARE
26	MONO	55	TUOLUMNE
27	MONTEREY	56	VENTURA
28	NAPA	57	YOLO
29	NEVADA	58	YUBA

IV. Appendices

Appendix A. Tax Rate Areas

Each county in California is divided into taxing districts, or a combination of taxing districts called Tax Rate Areas. Each Tax Rate Area within a county is assigned a unique tax rate area number in that county. The Tax Area Services Section (TASS) of the Assessment Policy and Standards Division defines the boundaries of all Tax Rate Areas and assigns the Tax Rate Area numbers. The purpose of the Tax Rate Areas is to help the local counties to determine the property tax amount by applying a specific tax rate, corresponding to the Tax Rate Area where the property is located, to the assessed value of that property.

Tax Rate Area maps are available for use by the taxpayer at the Board headquarters office in Sacramento, or a taxpayer may inspect the maps at the local assessor's offices. Copies of these maps may be purchased from TASS.

Information regarding the Tax Rate Area number for a specific location can be obtained from TASS. A subscription service is available for a fee. Any questions or requests should be directed to TASS by contacting Tax Area Services Section, MIC:59, PO Box 942879, Sacramento, California 94279-0059, or by telephone at 916-322-7185.

Appendix B. Account Prefix Table

<u>Prefix</u>	<u>Description</u>
C	Common
D	Private Rail Cars
E	Electric
G	Gas
M	Radio Common Carriers
P	Pipelines
S	Steam
T	Wireless Reseller
T	Wireless Telephone
T	Competitive Local Exchange Carriers
T	Competitive Access Providers
T	Interexchange Resellers
T	Interexchange Telephone
T	Local Exchange Telephone
T	Long Distance Telephone
R	Railroads
W	Water

Appendix C. Sample Property Statement

BOE-517-RC (S1F) REV. 11 (12-06)

PROPERTY STATEMENT — RADIO COMMON CARRIERS

STATE OF CALIFORNIA
BOARD OF EQUALIZATION

2007

DECLARATION OF COSTS AND OTHER RELATED PROPERTY INFORMATION

AS OF 12:01 A.M., JANUARY 1, 2007

This statement must be completed, signed, and filed with the Valuation Division, Board of Equalization, PO Box 942879, Sacramento, California 94279-0061, by March 1, 2007. Omit cents; round to the nearest dollar.

NAME, STREET, CITY, STATE and ZIP CODE

XYZ Radio, Inc. SBE No. 3000
10000 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010

OFFICIAL REQUEST

This request is made in accordance with section 826 of the Revenue and Taxation Code. This property statement must be completed according to the instructions and filed with the Board of Equalization on or before March 1, 2007. If you do not file this statement, you may be subject to the penalty provided in section 830 of the Revenue and Taxation Code. Attached schedules are considered to be part of the statement. THIS STATEMENT IS SUBJECT TO AUDIT.

SBE No.

☐ Indicate if above is a change of name and/or address.

MAKE NECESSARY CORRECTIONS TO ADDRESS LABEL

THIS STATEMENT SHALL CONSIST OF:		DATE SUBMITTED	DATE TO BE SUBMITTED	N/A	Name and address of person to whom correspondence regarding audit should be addressed:
(1) Financial Schedules A to C					NAME John Smith
(2) Statement of Land Changes					MAILING ADDRESS (including zip code) Same as above
(3) Schedule of Intangible Information					TELEPHONE NUMBER (310) 555-1212
(4) Statement of Authorization	BOE-892				LOCATION OF ACCOUNTING RECORDS (street, city, state and zip code) Same as above
(5) Schedules of Leased Equipment	BOE-600-A				NAME OF AUTHORIZED REPRESENTATIVE (if applicable) *
	BOE-600-B				ADDRESS (street, city, state, zip code)
(6) Other Information as Requested (see instructions on reverse)					DAYTIME TELEPHONE NUMBER ()
a. Payments to Local Governments					E-MAIL ADDRESS JSmith@exite.com
b. Annual Rept. to Regulatory Agencies					
c. Form 10K					
d. Shareholders Report — 3 copies					
e. Other					

*BOE-892, Statement of Authorization, must be filed annually.

List business activities:

(✓) ENTITY TYPE: ☐ Proprietorship ☐ Partnership ☐ Corporation ☐ Other

Change in ownership prior 12 months? ☐ Yes ☐ No

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that I have examined this Property Statement, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete and covers all property required to be reported which is owned, claimed, possessed, controlled, or managed by the person named in the statement at 12:01 a.m. on January 1, 2007. If prepared by a person other than the taxpayer, this declaration is based on all information of which preparer has knowledge.

FULL LEGAL NAME IF INCORPORATED

XYZ Radio, Inc.

SIGNATURE OF OWNER, PARTNER, OFFICER, OR AUTHORIZED AGENT

John Smith

DATE

2/15/2007

PRINTED NAME OF OFFICER OR AUTHORIZED AGENT

John Smith

TITLE

President

SIGNATURE AND ADDRESS OF PREPARER OTHER THAN TAXPAYER

DATE

2007

FOR OFFICIAL USE ONLY

Under the provisions of sections 826 and 830 of the Revenue and Taxation Code and section 901, Title 18, California Code of Regulations, the Board of Equalization requests that you file a property statement with this Board between January 1, 2007, and 5:00 p.m., on March 1, 2007. The property statement shall be completed in accordance with instruction included with the property statement and in publication 67-RC, *Instructions for Reporting State-Assessed Property*, for lien date 2007. If you do not have these instructions, please let us know and we will mail them to you.

All parts of the property statement must be filed by March 1 (exception — see “N/A” below). Extensions of time for filing the property statement or any of its parts may be granted only on a showing of good cause under a written request made prior to March 1. If you do not file timely, it may result in an added penalty of ten percent of the assessed value as required by section 830 of the Revenue and Taxation Code.

(6) OTHER INFORMATION — INSTRUCTIONS

The following information shall be provided with the property statements:

- a. a statement of your 2006 payments to governmental agencies for the use of public property located in California. Please indicate those payments which are on the basis of agreements entered into prior to December 1955 and which have not been subsequently extended or renewed.
- b. a copy of your annual report(s) to regulatory agencies, such as the I.C.C., F.C.C., F.E.R.C., C.P.U.C., etc.
- c. a copy of your Form 10K filed with the Securities and Exchange Commission.
- d. three (3) copies of your 2006 annual report to stockholders.
- e. supplemental information as requested.

A positive response is required for all parts of the property statement. If a requested item does not apply, please so state. If you do not respond to all parts of the property statement, you may be subject to the penalties of section 830 of the Revenue and Taxation Code.

N/A — Not Applicable

Forms BOE-600-A, *Schedule of Leased Equipment to be Assessed by the BOE to the State Assessee (Lessee)*, BOE-600-B, *Schedule of Leased Equipment Which is to be Reported by Lessor to Local Assessor for Assessment*, and BOE-551, *Statement of Land Changes*, need not be returned if there is nothing to report. However, a positive response under the “N/A” column on page S1F is required for those forms not returned.

You have the option of substituting for Financial Schedules A to D inclusive, copies of schedules of corresponding information as filed in your annual report required by the California Public Utilities Commission or Federal Communications Commission, or other financial statements that contain the appropriate information for the corresponding period including depreciation and taxes as called for in the schedules.

Report book cost (100 percent of actual cost). Include excise, sales and use taxes, freight-in, installation charges, finance charges during construction, and all other relevant costs required to place the property in service. Do not reduce costs for depreciation (which must be reported separately). Report separately the details of any trade-in value, write-downs of cost, extraordinary damage or obsolescence, or any other information that may help the Board in estimating fair market value.

Note: All replacement cost studies, obsolescence requests, and other voluntary information that assessees believe affects the value of their property must be filed with the property statement or by a date granted by a formal extension. If such information is not filed by that date, staff is not required to consider it in determining its unitary value recommendation.

SCHEDULE A — Comparative Balance Sheet**2007**

COMPANY NAME XYZ Radio, Inc.		SBE NO. 3000	
BALANCE AT BEGINNING OF 2006		ASSETS	
\$	Plant and equipment ^b	a	1,555,000
	Accumulated depreciation — plant and equipment ^a		(900,000)
	Accumulated depreciation — exempt software ^a		()
	Accumulated depreciation — other ^a		()
	nontaxable property ^a		()
	Accumulated amortization — total ^a		
	Other physical property ^b	a	
	Investments in securities		
	Other investments ^b		
	Sinking and other funds		
	Other utility plant ^b		
	CWIP ^a	a	200,000
	Cash and working funds		
	Temporary cash investments and special deposits		
	Notes receivable		
	Accounts receivable		
	Interest, dividends, and rents receivable		
	Materials and supplies ^a	a	10,000
	Inventory held for sale or lease in ordinary course of business ^a	a	
	Discount on capital stock		
	Discount and expense on funded debt		
	Prepayments		
	All other deferred debits (<i>attach detailed list</i>)		
	Future use property ^a	a	
\$			
		TOTAL ASSETS AND OTHER DEBITS	
		\$	860,000
LIABILITIES			
\$	Capital stock		\$
	Premiums and assessments on capital stock		
	Funded debt unmatured		
	Capital stock expense		
	Other long term debt		
	Premium on long term debt		
	Loans and notes payable		
	Accounts payable		
	Matured interest and dividends		
	Taxes accrued		
	Customer deposits and advances		
	Other current and accrued liabilities		
	Deferred income taxes		
	Other reserves		
	Employees' provident reserve		
	Other deferred and unadjusted credits		
	Retained earnings		860,000
\$			
		TOTAL LIABILITIES AND OTHER CREDITS	
		\$	860,000

Notes: ^a Interstate companies show California end-of-year amount in box.^b Report original cost before depreciation/amortization.

2007**SCHEDULE B — Plant and Equipment in California**

COMPANY NAME

XYZ Radio, Inc.

SBE NO.

3000

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	BALANCE AS OF 1-1-06	ADDITIONS	RETIREMENTS	BALANCE AS OF 1-1-07
1		INTANGIBLES (BOE-529-I)				
2						
3						
4		REAL ESTATE				
5		Land ^a				
6		Rights of Way, Easements, etc. ^a				
7						
8						
9		Buildings & Towers (agree to B-1)				
10		Misc. Structures & Leasehold Improvements (agree to B-1)				
11		Shelters				
12		MISCELLANEOUS PROPERTY IN SERVICE				
13		Licensed Motor Vehicles				
14		Unlicensed Vehicles				
15		Aircraft				
16		Furniture & Office Equipment	20,000	20,000		40,000
17		General Purpose Computers	30,000	30,000		60,000
18		Computer Applications Software	50,000	100,000		150,000
19		Misc. Tools & Work Equipment				
20						
21		CENTRAL OFFICE EQUIPMENT				
22		Control & Message Center Equipment (agree to B-1)	500,000	200,000		700,000
23		Fixed Station Equipment (agree to B-1)	200,000	100,000		300,000
24		Shop & Test Equipment (agree to B-1)				
25		OUTSIDE PLANT				
26		Antennae				
27		CUSTOMER PREMISE EQUIPMENT (CPE)				
28		One-Way Radio Equipment (agree to B-1)				
29		Two-Way Radio Equipment (agree to B-1)	150,000	150,000		300,000
30						
31		OTHER				
32						
33		TOTAL IN SERVICE	950,000	600,000	-0-	1,550,000
34						
35		MATERIALS AND SUPPLIES	10,000			10,000
36		FORM BOE-600-A LEASED EQUIPMENT				
37		CAPITALIZED CPE HELD FOR SALE OR LEASE				
38		FUTURE USE PROPERTY				
39		CONSTRUCTION WORK IN PROGRESS	500,000	150,000	450,000	200,000
		Total in California	1,460,000	750,000	450,000	1,760,000
		Total all other states				
		GRAND TOTAL SYSTEM	1,460,000	750,000	450,000	1,760,000
40		DEPRECIATION RESERVE — TOTAL CALIFORNIA PROPERTY (Include line 44 depreciation)				900,000
41		DEPRECIATION RESERVE — Nontaxable Property (licensed vehicles, software, etc., attach detail by account)				

^a If additions and/or retirements are reported for Land or Rights of Way, Easements, etc., the BOE-551, Statement of Land Changes, must be filed with the Valuation Division.

2007**SCHEDULE B-0 — DISTRIBUTION OF COST (1 of 2)**

OVER FOR MORE COUNTIES ▶

COMPANY NAME XYZ Radio, Inc.	SBE NO. 3000
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SECTION A — Complete this section if you have property located in only ONE (1) California county. See instructions for reporting State-Assessed Property — Radio Common Carriers for a listing of county names and county numbers.

COUNTY NAME	COUNTY NO.
-------------	------------

SECTION B — Complete this section if you have property in two or more California counties. Forms BOE-532 and BOE-533-E are not required.

LINE NO.	ACCOUNT TITLE	SCHEDULE B CALIFORNIA BALANCE AS OF 1-1-06	COUNTY NAME Alameda COUNTY NO. 1	COUNTY NAME Contra Costa COUNTY NO. 7	COUNTY NAME El Dorado COUNTY NO. 9	COUNTY NAME Los Angeles COUNTY NO. 19
1	INTANGIBLES (BOE-529-I)					
2						
3						
4	REAL ESTATE					
5	Land					
6	Rights of Way, Easements, etc.					
7						
8						
9	Buildings					
10	Misc. Structures, Leasehold Improvements					
11	Shelters					
12	MISCELLANEOUS PROPERTY IN SERVICE					
13	Licensed Motor Vehicles					
14	Unlicensed Vehicles					
15	Aircraft					
16	Furniture & Office Equipment	40,000	4,000	2,000	2,000	2,000
17	General Purpose Computers	60,000	4,000	2,000	2,000	2,000
18	Computer Applications Software					
19	Misc. Tools & Work Equipment					
20						
21	CENTRAL OFFICE EQUIPMENT					
22	Control & Message Center Equipment					
23	Fixed Station Equipment	700,000	80,000	40,000	40,000	40,000
24	Shop & Test Equipment	300,000	20,000	10,000	10,000	10,000
25	OUTSIDE PLANT					
26	Antennae					
27	Towers					
28	CUSTOMER PREMISE EQUIPMENT (CPE)					
29	One-Way Radio Equipment					
30	Two-Way Radio Equipment	300,000	30,000	15,000	15,000	15,000
31	OTHER (describe)					
32						
33						
34						
35	MATERIALS AND SUPPLIES	10,000				
36	BOE-600-A LEASED EQUIPMENT					
37	CAPITALIZED CPE HELD FOR SALE OR LEASE					
38	FUTURE USE PROPERTY					
39	CONSTRUCTION WORK IN PROGRESS	200,000				
TOTAL IN CALIFORNIA		1,610,000	138,000	69,000	69,000	69,000

Note: Nonoperating property should be reported on BOE-533-E, Tangible Property List. See Instructions for Reporting State-Assessed Property for detailed instructions.

2007**SCHEDULE B-0 — DISTRIBUTION OF COST (2 of 2)**

COMPANY NAME XYZ Radio, Inc.	SBE NO. 3000
---------------------------------	-----------------

SECTION B — Complete this section if you have property in two or more California counties. Forms BOE-532 and BOE-533-E are not required.

LINE NO.	COUNTY NAME Orange	COUNTY NAME Placer	COUNTY NAME Sacramento	COUNTY NAME San Diego	COUNTY NAME San Francisco	COUNTY NAME Santa Clara	COUNTY NAME	COUNTY NAME
	COUNTY NO. 30	COUNTY NO. 31	COUNTY NO. 34	COUNTY NO. 37	COUNTY NO. 38	COUNTY NO. 43	COUNTY NO.	COUNTY NO.
	\$	\$	\$	\$	\$	\$	\$	\$
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16	2,000	2,000	20,000	2,000	2,000	2,000		
17	2,000	2,000	40,000	2,000	2,000	2,000		
18								
19								
20								
21								
22								
23	40,000	40,000	300,000	40,000	40,000	40,000		
24	10,000	10,000	200,000	10,000	10,000	10,000		
25								
26								
27								
28								
29	15,000	15,000	150,000	15,000	15,000	15,000		
30								
31								
32								
33								
34								
35			10,000					
36								
37								
38								
39								
			200,000					
	69,000	69,000	920,000	69,000	69,000	69,000		

Do not include land, rights of way, licensed motor vehicles and computer applications software in the Distribution of Cost.

2007**SCHEDULE B-1 — COST DETAIL OF DEPRECIABLE
PROPERTY AS OF JANUARY 1, 2007 (1 of 3)**

COMPANY NAME

XYZ Radio, Inc.

SBE NO.

3000

CAL. YEAR OF ACQ.	BUILDINGS ORIGINAL COST	MISC. STRUCTURE AND LEASEHOLD IMPROVEMENTS ORIGINAL COST	SHELTERS ORIGINAL COST	FURNITURE AND OFFICE EQUIPMENT ORIGINAL COST	GENERAL PURPOSE COMPUTERS ORIGINAL COST
2006				20,000	30,000
2005				10,000	20,000
2004				10,000	10,000
2003					
2002					
2001					
2000					
1999					
1998					
1997					
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1965					
1964					
1963					
1962					
Prior					
TOTAL				40,000	60,000

NOTE: Do not include Licensed Motor Vehicle or Computer Software Cost in any Schedule B-1 Category.

2007**SCHEDULE B-1 — COST DETAIL OF DEPRECIABLE
PROPERTY AS OF JANUARY 1, 2007 (2 of 3)**

COMPANY NAME

XYZ Radio, Inc.

SBE NO.

3000

CAL. YEAR OF ACQ.	MISC. TOOLS AND WORK EQUIPMENT ORIGINAL COST	COE CONTROL AND MESSAGE CENTER EQUIPMENT ORIGINAL COST	COE FIXED STATION EQUIPMENT ORIGINAL COST	COE SHOP AND TEST EQUIPMENT ORIGINAL COST	OUTSIDE PLANT ANTENNAE ORIGINAL COST
2006		200,000	100,000		
2005		300,000	100,000		
2004		200,000	100,000		
2003					
2002					
2001					
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1964					
1963					
1962					
Prior					
TOTAL		700,000	300,000		

NOTE: Do not include Licensed Motor Vehicle or Computer Software Cost in any Schedule B-1 Category.

2007**SCHEDULE B-1 — COST DETAIL OF DEPRECIABLE
PROPERTY AS OF JANUARY 1, 2007 (3 of 3)**

COMPANY NAME

XYZ Radio, Inc.

SBE NO.

3000

CAL. YEAR OF ACQ.	OUTSIDE PLANT TOWERS ORIGINAL COST	CUSTOMER PREMISE EQUIPMENT ONE-WAY RADIO EQUIP ORIGINAL COST	CUSTOMER PREMISE EQUIPMENT TWO-WAY RADIO EQUIP ORIGINAL COST	OTHER COMMUNICATIONS EQUIPMENT ORIGINAL COST
2006			150,000	
2005			100,000	
2004			50,000	
2003				
2002				
2001				
2000				
1999				
1998				
1997				
1996				
1995				
1994				
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1970				
1969				
1968				
1967				
1966				
1965				
1964				
1963				
1962				
Prior				
TOTAL			300,000	

NOTE: Do not include Licensed Motor Vehicle or Computer Software Cost in any Schedule B-1 Category.

2007**SCHEDULE C — Operating Income Statement**

COMPANY NAME XYZ Radio, Inc.			SBE NO. 3000
ACCOUNT TITLE	ACCOUNT NUMBER	2006 CALENDAR YEAR	2005 CALENDAR YEAR
OPERATING REVENUES (Gross)			
One-way service _____		10,000,000	5,000,000
Two-way service _____			
Private radio service _____			
Other operating revenues <i>(describe)</i> _____			
Uncollectible revenues — debit _____		()	()
Total Operating Revenues _____		10,000,000	5,000,000
OPERATING EXPENSES			
Maintenance and repair expense _____		4,500,000	2,500,000
Rental expense — equipment _____			
Rental expense — real property _____			
Operators wages _____			
Contracted operator service expense _____			
Connecting telephone company charges _____			
Office salaries _____			
Sales and Advertising expenses _____			
Management salaries _____			
Office supplies and expense _____			
Insurance expense _____			
Accounting, legal and other services _____			
Vehicle expense _____			
Other expenses (attach detailed list) _____		4,370,000	1,640,000
Total Operating Expenses _____		8,870,000	4,140,000
TAXES			
Ad Valorem (property) taxes _____		100,000	50,000
State income taxes _____			
Federal income taxes _____		50,000	30,000
Provision for deferred federal income taxes _____			
Other taxes <i>(attach itemized detail)</i> _____			
Total Taxes _____		150,000	80,000
NONCASH EXPENSES			
Depreciation _____		400,000	500,000
Amortization _____			
Other <i>(describe)</i> _____			
Total noncash expenses		400,000	500,000
Total expenses		9,420,000	4,720,000
NET OPERATING INCOME		580,000	280,000

Note: Please report California revenue and expense information if possible.



XYZ Radio, Inc. SBE No. 3000
Detail of Other Expenses

DESCRIPTION	AMOUNT	
	2006 CALENDAR YEAR	2005 CALENDAR YEAR
Telecommunications indirect operating expense	\$ 2,200,000	\$ 750,000
Customer accounts/services expense	200,000	55,000
Commission expense	850,000	125,000
General and Administrative expenses	1,120,000	710,000
Total Other Expenses	\$ 4,370,000	\$ 1,640,000